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To: Counties and Cities Reporting Under Category 1 BARS Requirements

Given local governments' tight budgets and difficult economic situations, we're writing to ensure that all of you are aware of the degree of latitude you have in reporting under the new GASB 34 requirements.

We want to make it very clear that entities are under no obligation to begin using those requirements any sooner than the deadlines imposed by GASB. Those deadlines are:

- Phase 1. Governments with total annual revenues of \$100 million or more: After June 15, 2001. (Calendar year end December 31, 2002.)
- Phase 2. Governments with total annual revenues of \$10 million or more but less than \$100 million: After June 15, 2002. (Calendar year end December 31, 2003.)
- Phase 3. Governments with total annual revenues of less than \$10 million: After June 15, 2003. (Calendar year end December 31, 2004.)

Infrastructure reporting is required within four years after these dates.

Also, keep in mind that these requirements apply only to entities reporting in accordance with generally accepted accounting principles (Category 1/Classified Proprietary entities).

We also want to make it very clear that at this time, the only changes in accounting governments must make this year to be in compliance with RCW 43.09.230 and BARS are changes in the revenue and expenditure accounts in the subsidiary ledger. This is necessary to maintain comparable information.

If you have any questions, please contact the Local Government Support Team at 360-664-3149.

Sincerely,

Jan M. Jutte, CPA
Assistant Director

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